

**UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK**

PHARO GAIA FUND, LTD. and PHARO
MACRO FUND, LTD.,

Plaintiffs,

v.

THE BOLIVARIAN REPUBLIC OF
VENEZUELA,

Defendant.

Case No. 19-cv-3123 (AT)
Related to 18-cv-11940 (AT)

CASA EXPRESS CORP, as Trustee of CASA
EXPRESS TRUST,

Plaintiff,

v.

THE BOLIVARIAN REPUBLIC OF
VENEZUELA,

Defendant.

Case No. 18-cv-11940 (AT)
Related to 19-cv-3123 (AT)

**DECLARATION OF JEFFREY HANLON IN SUPPORT OF PLAINTIFFS'
CONSOLIDATED MOTION FOR SUMMARY JUDGMENT**

I, Jeffrey Hanlon, declare and state as follows:

1. My name is Jeffrey Hanlon. I am a Senior Partner and Chief Financial Officer at Pharo Management, Inc., which is the U.S. investment advisor to the Plaintiffs in this case, Pharo Macro Fund, Ltd. ("Pharo Macro") and Pharo Gaia Fund, Ltd. ("Pharo Gaia"). As Senior Partner and CFO, I have personal knowledge of the facts set forth in this declaration because I was personally involved in executing or overseeing the transactions referenced below. I submit this declaration in support of Plaintiffs' consolidated motion for summary judgment.

2. Pharo Gaia is a Cayman Islands exempted company organized and existing under the laws of the Cayman Islands.

3. Pharo Macro is a Cayman Islands exempted company organized and existing under the laws of the Cayman Islands.

4. Pharo Gaia and Pharo Macro are managed by, among others, Pharo Management, Inc., a Delaware corporation whose principal place of business is in New York, New York.

5. Pharo Macro is a current beneficial owner of \$1,500,000 principal amount of a series of bonds issued by Venezuela, designated ISIN USP9395PAA95 (“the 2001 Issuance of the 2018s”).

6. Pharo Macro also is a current beneficial owner of \$180,500,000 principal amount of a separate series of bonds issued by Venezuela, designated ISIN USP97475AN08 (“the 7.75% 2019 Bonds”).

7. Pharo Gaia is a current beneficial owner of \$114,000,000 principal amount of the 7.75% 2019 Bonds.

Pharo Macro – 2001 Issuance of the 2018s

8. On February 15, 2018 and August 15, 2018, Venezuela failed to make contractually mandated interest payments of 6.8125% on the \$1,500,000 principal amount of the 2001 Issuance of the 2018s beneficially owned by Pharo Macro, which amounts to \$102,187.50 per interest payment or \$204,375 in total.

9. Venezuela has yet to make those interest payments.

10. On August 15, 2018, when the 2001 Issuance of the 2018s matured, Venezuela failed to pay the \$1,500,000 principal amount beneficially owned by Pharo Macro.

11. Venezuela has yet to make those principal payments.

12. On February 15, 2019 and August 15, 2019, Venezuela failed to make contractually mandated post-maturity interest payments of 6.8125% on the \$1,500,000 principal amount of the

2001 Issuance of the 2018s beneficially owned by Pharo Macro, which amounts to \$102,187.50 per interest payment or \$204,375 in total.

13. Venezuela has yet to make those interest payments.

14. As a result of Venezuela's failures to meet its obligations under the 2001 Issuance of the 2018s, Venezuela currently owes Pharo Macro: (1) \$1,500,000 in missed principal payments, and (2) \$408,750 in missed interest payments.

Pharo Macro – 7.75% 2019 Bonds

15. On October 13, 2017, April 13, 2018, October 13, 2018, April 13, 2019, and October 13, 2019, Venezuela failed to make contractually mandated interest payments of 3.875% on the \$180,500,000 principal amount of the 7.75% 2019 Bonds beneficially owned by Pharo Macro, which amounts to \$6,994,375 per interest payment or \$34,971,875 in total.

16. Venezuela has yet to make those interest payments.

17. On October 13, 2019, when the 7.75% 2019 Bonds matured, Venezuela failed to pay the \$180,500,000 principal amount beneficially owned by Pharo Macro.

18. Venezuela has yet to make those principal payments.

19. As a result of Venezuela's failures to meet its obligations under the 7.75% 2019 Bonds, Venezuela currently owes Pharo Macro: (1) \$180,500,000 in missed principal payments, and (2) \$34,971,875 in missed interest payments.

Pharo Gaia – 7.75% 2019 Bonds

20. On October 13, 2017, April 13, 2018, October 13, 2018, April 13, 2019, and October 13, 2019, Venezuela failed to make contractually mandated interest payments of 3.875% on the \$114,000,000 principal amount of the 7.75% 2019 Bonds beneficially owned by Pharo Gaia, which amounts to \$4,417,500 per interest payment or \$22,087,500 in total.

21. Venezuela has yet to make those interest payments.
22. On October 13, 2019, when the 7.75% 2019 Bonds matured, Venezuela failed to pay the \$114,000,000 principal amount beneficially owned by Pharo Gaia.
23. Venezuela has yet to make those principal payments.
24. As a result of Venezuela's failures to meet its obligations under the 7.75% 2019 Bonds, Venezuela currently owes Pharo Gaia: (1) \$114,000,000 in missed principal payments, and (2) \$22,087,500 in missed interest payments.

I declare under penalty of perjury that the foregoing is true and correct.

Executed: December 5, 2019

New York, NY



Jeffrey Hanlon
Senior Partner & CFO
Pharo Management, Inc.